

FINANCE AND ADMINISTRATIVE SERVICES

The Finance and Administrative Services Department provides internal services including accounting, information technology, purchasing, mail and copy, risk management, cash management and investment, tourism management, fleet management and citywide call center.

MISSION

The Finance and Administrative Services Department seeks to provide timely, accurate and relevant financial information to departments, provide innovative business solutions and protect city resources.

Operating Fund Expenditures by Category (\$000's)	ACTUAL FY/04	ORIGINAL BUDGET FY/05	REVISED BUDGET FY/05	ESTIMATED ACTUAL FY/05	APPROVED BUDGET FY/06	APPR 06/ EST ACT 05 CHG
Personnel	11,530	14,492	14,595	13,252	20,270	7,018
Operating	22,499	37,158	37,467	37,810	44,418	6,608
Capital	478	2,107	2,903	2,868	5,484	2,616
Transfers	1,597	7,674	6,840	6,844	7,829	985
TOTAL	36,104	61,431	61,805	60,774	78,001	17,227
TOTAL FULL TIME POSITIONS	190	227	230	230	317	87

BUDGET HIGHLIGHTS

General Fund

The FY/06 General Fund appropriation is \$2.7 million more than the approved FY/05 level.



Annualized funding for existing staff and the addition of 31 positions for the citizen services 311 call center will result in an increase of \$2.0 million. The call center will provide the citizens of Albuquerque with a single point of access to a wide range of City services, as well as diverting non-emergency calls from 911.

The contract for the management of the Convention Center has decreased by \$430 thousand from the FY/05 level. However, there are other appropriations to the convention center. There is an appropriation of \$200 thousand for the pass through of liquor revenue to the contractor. This is offset by the receipt of \$200 thousand in revenue from the liquor vendor and has no impact on the General Fund. An additional \$100 thousand is appropriated to the convention center for capital improvements. As part of the contract the contractor provided us with a check for \$400 thousand in FY/04. These funds were appropriated midyear FY/05. This \$100

thousand represents the unspent portion of the FY/05 appropriation.

Other proposed additions to the General Fund budget are \$92.5 thousand in increased contractual services costs in accounting, \$75.9 thousand for GIS support in ISD and \$82 thousand for an increase in the property tax admin fee. The increase in the property tax admin fee is offset by additional revenues.

Lodgers' Tax Fund

The Lodgers' Tax Fund was moved from the CAO's office to Finance and Administrative Services in FY/05. There is a conservative one percent increase projected for Lodgers' Tax revenue. Fifty percent of the revenue is identified for promotions and 50% is identified for debt service. There is a slight increase in contracts for promotions due to the increased revenues. The debt service requires a General Fund Subsidy of \$150 thousand for FY/06. The subsidy was reduced significantly from the originally scheduled \$956 thousand for FY/06 due to a restructure of the debt in FY/05.

Hospitality Fee Fund

The Hospitality Fee Fund was established in Finance and Administrative Services in FY/05. The Hospitality Fee Fund also reflects a one percent projected increase which translates into an increase in the amount available for promotions and debt service.

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City/County Projects Fund

The City/County Projects Fund is increased by \$124 thousand to appropriate additional miscellaneous revenues received and interest earned in the last few years.

Risk Management Fund

There is a slight increase of \$216 thousand in the Risk Management Fund. This is a result of a \$196 thousand increase in the amount available for the Employee Health Center contract. This contract is up for bid and the City expects an increase in the contract amount. There is also a \$16 thousand increase for computer replacement. This will bring all of the computers in the Risk Management Fund up to date. The program strategies for Employee Health and Substance Abuse were combined in the Safety Office program strategy for FY/05.

Supplies Inventory Management Fund

The proposed budget for the Supplies Inventory Management Fund increases by \$72 thousand from the approved FY/05 budget primarily due to the increase in wages, benefits and indirect costs.

Fleet Management Fund

The Fleet Management Fund is moved from Public Works to Finance and Administrative Services for FY/06. There is an increase for the Fleet Management Fund of \$1.55 million. Fuel costs are anticipated to increase by \$1.25 million. The surcharge of \$110 thousand for the upgrade or repairs of the fuel management hardware and above ground storage tanks is appropriated. This surcharge has been accumulated over the last five years and will now be appropriated. There is also an appropriation of \$65 thousand for the replacement and upgrade of shop equipment.

Vehicle/Equipment Replacement Fund

There is a \$4.98 million appropriation for the replacement of vehicles and computers. Two million dollars will be set aside for computer needs as identified by the Information Systems Committee (ISC) and \$2.98 million will be used for the replacement of APD and other non public safety vehicles. There has been no appropriation in this fund for the non public safety fleet since FY/01. This is expected to bring down fuel and maintenance costs as the fleet is upgraded with more efficient vehicles.

Communications Management Fund

Overall, there is a decrease in Communications Management Fund of \$13 thousand from the approved FY/05 budget. Due to a decrease in the indirect rate the indirect costs have been reduced by \$98 thousand. Also, a one time early retirement was funded in FY/05 for \$29 thousand. This is no longer funded in FY/06. Funding of \$65 thousand is provided for a Wireless Systems Analyst. There is also a slight increase in funding as a permanent part time accounting support position is added. The cost of this position is offset by a decrease in contractual services.

(\$000's)	ACTUAL FY/04	ORIGINAL BUDGET FY/05	REVISED BUDGET FY/05	ESTIMATED ACTUAL FY/05	APPROVED BUDGET FY/06	APPR 06/ EST ACT 05 CHG
PROGRAM STRATEGY SUMMARY BY GOAL:						
GOAL 6: ECONOMIC VITALITY						
<u>GENERAL FUND 110</u>						
Tourism/Convention Center	0	2,041	2,597	2,457	1,878	(579)
<u>LODGER'S TAX FUND - 220</u>						
Lodger's Promotion - 220	0	4,130	4,130	4,130	4,178	48
Trfr from Fund 220 to Fund 110	0	133	133	133	132	(1)
Trfr from Fund 220 to Fund 405	0	5,097	4,263	4,263	4,460	197
Total Lodger's Tax Fund - 220	0	9,360	8,526	8,526	8,770	244
<u>HOSPITALITY FEE FUND - 221</u>						
Lodger's Promotion - 221	0	786	786	786	856	70
Trfr from Fund 221 to Fund 405	0	786	786	786	856	70
Total Hospitality Fee Fund - 221	0	1,572	1,572	1,572	1,712	140
TOTAL - GOAL 6	0	12,973	12,695	12,555	12,360	(195)

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(\$000's)	ACTUAL FY/04	ORIGINAL BUDGET FY/05	REVISED BUDGET FY/05	ESTIMATED ACTUAL FY/05	APPROVED BUDGET FY/06	APPR 06/ EST ACT 05 CHG
GOAL 8: GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS						
<u>GENERAL FUND – 110</u>						
Accounting	2,573	2,665	2,799	2,749	2,915	166
Citizen Services	0	1,453	1,453	1,003	3,626	2,623
Citywide Financial Support Services	446	585	585	585	667	82
Information Services	6,799	7,570	7,997	7,947	7,793	(154)
Information Services – CIP	77	327	327	246	334	88
Purchasing	951	1,071	1,071	1,061	1,098	37
Strategic Support	346	317	317	304	351	47
Treasury	1,333	1,358	1,358	1,309	1,402	93
Total General Fund – 110	12,525	15,346	15,907	15,204	18,186	2,982
<u>RISK MANAGEMENT FUND 705</u>						
Employee Health Services	237	0	0	0	0	0
Bonus Program	40	0	0	0	0	0
Safety Office	657	1,270	1,303	1,270	1,416	146
Substance Abuse Program	188	0	0	0	0	0
Tort and Other Claims	13,895	17,671	17,671	17,666	17,694	28
Workers' Compensation Claims	5,651	9,313	9,313	9,247	9,492	245
Transfer from Fund 705 to Fund 110	837	872	872	872	740	(132)
Total Risk Management Fund – 705	21,505	29,126	29,159	29,055	29,342	287
<u>SUPPLIES INVENTORY MANAGEMENT FUND 715</u>						
Bonus Program	12	0	0	0	0	0
Materials Management	450	496	496	466	552	86
Transfer from Fund 715 to Fund 110	167	178	178	178	194	16
Total Supplies Inventory Management Fund – 715	629	674	674	644	746	102
<u>FLEET MANAGEMENT FUND 725</u>						
Fleet Management	0	0	0	0	10,299	10,299
Transfer from Fund 725 to Fund 110	0	0	0	0	666	666
Total Fleet Management Fund – 725	0	0	0	0	10,965	10,965
<u>COMMUNICATIONS MANAGEMENT FUND 745</u>						
City Communications	913	1,037	1,095	1,041	1,122	81
Bonus Program	13	0	0	0	0	0
Transfer from Fund 745 to Fund 110	231	235	235	235	137	(98)
Total Communications Management Fund – 745	1,157	1,272	1,330	1,276	1,259	(17)
<u>CITY/COUNTY PROJECTS FUND 285</u>						
City/County Projects	31	91	91	91	215	124
Transfer from Fund 285 to Fund 110	182	82	82	82	82	0
Total City/County Projects Fund – 285	213	173	173	173	297	124
<u>VEHICLE/COMPUTER PROJECT FUND 730</u>						
Total Vehicle/Computer Projects – 730	75	2,000	2,000	2,000	4,978	2,978
TOTAL - GOAL 8	36,104	48,591	49,243	48,352	65,773	17,421
TOTAL APPROPRIATIONS	36,104	61,564	61,938	60,907	78,133	17,226
INTERDEPARTMENTAL ADJUSTMENT	0	133	133	133	132	(1)
NET APPROPRIATIONS	36,104	61,431	61,805	60,774	78,001	17,227

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REVENUE

With the exception of the liquor license revenue from the convention center contract, there is no significant change in revenue for the General Fund for the Department. The significant sources of revenue continue to be from business registration and record search fees. Liquor license revenue is recorded beginning midyear FY/05 to account for the revenue that comes in from the convention center.

The Lodgers' Tax and the Hospitality Fee funds were moved into the Department in FY/05. Prior year's revenue for the Lodgers' Tax fund is recorded in the CAO department. The Hospitality Fee fund was new for FY/05.

Department Generated Fees for Services (\$000's)	ACTUAL FY/04	ORIGINAL BUDGET FY/05	ESTIMATED ACTUAL FY/05	APPROVED BUDGET FY/06	APPR 06/ EST ACT 05 CHG
Facilities Concessions	0	0	156	200	44
Business Registration	1,192	1,240	1,200	1,212	12
Records Search Fees	485	290	350	350	0
Office Services	33	35	35	35	0
Vendor Registration Fee	19	20	20	20	0
City County Projects Fund - 285	173	173	173	173	0
Lodgers' Tax - 220	0	8,526	8,526	8,611	85
Hospitality Fee - 221	0	1,704	1,704	1,722	18

PRIOR YEAR ACCOMPLISHMENTS

311/Citizen Contact Center

- The 311 Citizen Call Center (CCC) officially opened on July 1, 2005 after a full year of building the contact center, launching the software application, and staffing the team. The CCC was built to provide easy access for citizens via telephone, email, and on-line web chat; it operates 24/7, 365 days a year answering 1,400-3,200 calls daily.
- The primary performance metric for the CCC is to answer 80% of the calls within 30 seconds. The call center answered 98% of the calls within 7 seconds for the entire proof of concept building phase of this project.

Accounting Division

- Accounting received the Certificate of Excellence in Financial Reporting.
- EmPath payroll system went into production in October 2004.
- The Division participated in three War on Weeds programs.
- Division trained over 300 city employees on the 311 system.
- Twenty six payrolls were processed timely.
- The Financial Reporting section produced the first CAFR for the Water Authority.
- Accounts Payable levels are below \$4 million for the first time in recent years.
- Special Assessments District (SAD) collection exceeded the \$400,000 level. Work began on a new SAD computer system that is scheduled for implementation in FY/06.
- 47 percent of all city payments, totaling over \$271 million were made via the ACH payment method.
- New travel rules and regulations were published and distributed.

Treasury

- As a result of restructuring its Series 1988 and 1989 Collateralized Mortgage Obligation Bonds, the city was able to reinvest proceeds in affordable housing projects without worry about Federal tax law issues.
- As a result of a city-initiated 2005 change in state statute, the city was able to place \$20,005,917 in bonds with the State Treasurer and pay them off the next day. Compared to a conventional ten year loan, this private placement saved the city approximately \$4,000,000 in interest expense.
- The city was able to finance convention center improvements at a low cost of capital with only the city's hospitality fee as the pledge.

ISD

E-government:

- The city receives an average of 17,000 visitors to its website each day. The website has received numerous website awards and moved from 27th place to 11th place in the annual Brown University study.

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- Enhanced website with standardized templates, accessibility for blind readers, and improved access by small devices (i.e., PDAs, cell phones)
- Pollen Alerts and Burn/no Burn Alerts via email and/or real-time (also, historical pollen records online via search and reporting)
- Trained 72 employees on website publishing - Enhanced Documentation for vendors and employees on City web publishing
- Developing new system for Purchasing Bids and Proposals. RFPs are now accessible online without a userid or password; remaining purchasing documents will be added in July 2005.

Network Group

- Updated and/or installed networks at Taylor Ranch community center, Palo Duro fitness center, East San Jose community center, Westside transit facility, and the APD Westside and Northeast substations.
- Installed wireless access at 5 libraries, Rapid Ride, Old Town, the Airport, COG offices.
- Coordinated with Comcast on the installation of fiber optics at the EOC, 4th Street yards and the Balloon Museum.

PC Support group

- PC support staff can manage city PCs from the office resulting in quicker response time at remote locations.
- Established and manages a city-wide pool of laptops and projectors to allow departments to use this equipment for short-term needs, such as travel and presentations.
- Implemented a desktop management tool. Over 250 users and PCs are managed using this tool and more than 50 applications can be set-up and installed over the network for users.

Director's Office

- Implemented the new on-line City Store, 'Absolutely Albuquerque', www.albuquerquecitystore.com.

Convention/Tourism

- Completed the first full successful year of SMG's contract to manage the convention center. Reduced the operating contribution by 26% for FY/06.



Purchasing

- Created on-line, real-time reporting of purchased and contracting activities.
- Revised Section 5-5-16 of the City Purchasing Ordinance relating to 'Disposition of City-owned Surplus, Salvage and Scrap Tangible Property' to bring the policy and process in line with current practice.
- All office supply paper goods are now available on an office supplies JIT (just-in-time) contract.
- City- issued contracts are now posted on the web and are readily available for user departments.

Fleet Management

- Received a 1% Energy grant from the Energy Conservation Council and initiated pilot programs to test the viability of BioDiesel and Hybrid vehicles in the City's fleet operations.
- Revised Fleet Management's Accounts Payable processing which resulted in improved time line for vendor payments.

Risk Management

- The Risk Management Division installed a new Risk Management Information System(RMIS) that allows each user access to analytic claims information. The first phase of training has been completed.
- Risk Management Division's loss prevention efforts were augmented by the creation of a new City Operators Permit(COP) policy to monitor employee driving behavior. This policy will be fully implemented in FY/06. A bumper sticker program to encourage citizens to call when poor City driver behavior is observed was implemented in FY/05. In early FY/06 there will be a new computer link with state Motor Vehicle Division records so employees' driving records will be available and an on-line defensive driving training program will begin.
- In FY/05, Risk Management received and opened 3038 new general claims and 1424 new workers' compensation claims, and the claims adjusters evaluated, processed and closed 2878 general claims and 1358 workers' compensation claims.

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PRIORITY OBJECTIVES

HUMAN AND FAMILY DEVELOPMENT GOAL: PEOPLE OF ALL AGES HAVE THE OPPORTUNITY TO PARTICIPATE IN THE COMMUNITY AND ECONOMY AND ARE WELL SHELTERED, SAFE, HEALTHY, AND EDUCATED.

- OBJECTIVE 16. Create a task force comprised of youth group representatives, parents and appropriate City department staff to evaluate the feasibility of, and interest in, using the Convention Center as a venue for downtown non-alcohol youth activities and events. Prepare a report, including estimates of related costs, and submit it to the Mayor and City Council by the end of the second quarter, FY/06.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT GOAL: PROTECT AND ENHANCE ALBUQUERQUE'S PLACES AND NATURAL ENVIRONMENT - ITS MOUNTAINS, RIVER, BOSQUE, VOLCANOES, ARROYOS, CLEAN AIR AND UNDERGROUND WATER SUPPLY.

- OBJECTIVE 12. Analyze the causes of Solid Waste Management Department accidents and develop a plan to specifically address reducing accidents, with special emphasis on reducing preventable accidents. Establish benchmarks to reduce accidents. Submit the analysis and training plan to the Mayor and City Council by the end of the first quarter, FY/06.

GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS: GOVERNMENT IS ETHICAL AND ACCOUNTABLE; EVERY ELEMENT OF GOVERNMENT CONTRIBUTES EFFECTIVELY TO MEETING PUBLIC NEEDS.

- OBJECTIVE 1. Resolve sixty percent of existing audit findings in the FY/04 annual audit and reduce new findings in the FY/05 annual audit by 25% from the number of new findings in FY/04.
- OBJECTIVE 2. Extend the parts section pilot bar code project from Pino Yards to the 6th Street facility to improve accountability and reduce inventory while maintaining parts availability rates. Reduce inventory by 5%, achieve less than 3% shrinkage, and maintain an 80% availability rate.
- OBJECTIVE 3. Initiate a tire testing program to identify brands and models that provide the most cost effective life. Reduce tire costs by 10%.
- OBJECTIVE 4. Initiate a synthetic lubricant testing program to identify opportunities to reduce maintenance costs through extended maintenance intervals. Reduce maintenance costs by 10%.
- OBJECTIVE 5. In response to GASB Statement Number 34, develop a complete inventory of all City assets by department and report appropriately in the FY/05 CAFR.
- OBJECTIVE 6. Evaluate the impact of the revised City Operators Permit program and include analyses of accidents investigated, determination of cause, number of licenses, and disciplinary actions and terminations as a result of suspended or withdrawn permits. Submit the evaluation to the Mayor and City Council by the end of the second quarter, FY/06.
- OBJECTIVE 7. Award a contract and complete systems requirement analysis phase for the implementation of an integrated enterprise resource planning financial system by the end of FY/06.
- OBJECTIVE 8. Expand the City's fiber backbone with 4 new links (Comm Center to the Wastewater Treatment Plant, Treatment Plant to City Hall, Treatment Plant to the Foothills Substation, and the Foothills Substation to City Hall) by the end of second quarter, FY/06.
- OBJECTIVE 12. Develop and analyze survey data on citizen awareness of and satisfaction with the 3-1-1 Citizen Contact Center services. Submit a report to the Mayor and City Council presenting the analysis and recommendations by the end of the third quarter, FY/06.